

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

March 20, 2003

IN RE:

**PETITION OF ON-SITE SYSTEMS, INC. TO
REVISE THE MONTHLY RESIDENTIAL SEWER
CHARGE FOR OAKWOOD SUBDIVISION IN
MAURY COUNTY, TENNESSEE**

)
)
)
)
)
)

**DOCKET NO.
02-01220**

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO REVISE THE MONTHLY RESIDENTIAL SEWER CHARGE**

This matter came before Chairman Sara Kyle, Director Deborah Taylor Tate, and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned to this docket, to consider, pursuant to Tenn. Code Ann. § 65-5-203, the *Petition* filed on November 12, 2002 by On-Site Systems, Inc. ("On-Site"). In the *Petition*, On-Site requests approval of a reduction in its monthly residential sewer charge, and a corresponding modification in its tariff, for its service area known as the Oakwood Subdivision ("Oakwood"), which is located in Maury County, Tennessee. The voting panel considered this matter at a Hearing held on January 28, 2003.

Oakwood is one of many small, geographically separated service areas for which On-Site provides sewer service. In its *Petition*, On-Site requests that the Authority approve a change in On-Site's monthly sewer charge for Oakwood from \$36.67 to \$35.11, which is a reduction of \$1.56. The *Petition* states that the reduction is the result of action by the Maury County Planning Commission. On-Site filed with its *Petition* a

proposed revised rate schedule which reflects this proposed change.

On April 4, 1994, On-Site received a certificate of public convenience and necessity ("CCN") in Docket No. 93-09040 from the Tennessee Public Service Commission ("TPSC") to provide wastewater service to Oakwood. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee. The Order of the TPSC granting On-Site a CCN set a monthly rate of \$8.49 for On-Site's residential sewer service to Oakwood.

On June 3, 1999, in Docket No. 99-00393, On-Site filed with the Authority a petition requesting a change in On-Site's rate structure, an increase in its rates, and an addition of certain fees. The Authority approved On-Site's request in an Order dated August 4, 2000.¹ The August 4, 2000 Order provides for a monthly rate of \$36.67 for On-Site's residential sewer service to Oakwood. In the same Order, the Authority also approved a revised tariff for Oakwood. This revised tariff includes a charge of \$1.56 for "Bonding costs – Required by Maury County."

In pre-filed testimony filed on January 15, 2003 in support of On-Site's *Petition*, On-Site's president, Mr. Charles Pickney, Jr., stated with regard to the \$1.56 bonding costs:

The first service area granted to On-Site Systems, Inc., was for the Oakwood Subdivision in Maury County. Because the company was new, and this was the first subdivision to be served, the Maury County Planning Commission required that On-Site Systems, Inc. post a bond in the form of a \$100,000.00 letter of credit to insure the operation and maintenance of the sewer system.

After the company became more established and the system had been operating successfully for several years, On-Site petitioned the

¹ See *In re: Petition of On-Site Systems, Inc. to Change Rate Structure, Increase Rates, and Add Fees*, Docket No. 99-00393 (*Order Approving Change in Rate Structure, Rate Increase, and Addition of Fees*) (August 4, 2000).

Maury County Planning Commission on August 10, 2001 to eliminate the bond requirement. The Maury County Planning Commission met on September 6, 2001 to consider the request and at the meeting, they approved the removal of the bond requirement.²

A Hearing on On-Site's *Petition* was held January 28, 2003 pursuant to a public notice issued by the Authority on December 20, 2002. On-Site was represented by Mr. Pickney, who reiterated the request for approval of a rate reduction and reasons therefore as stated in the *Petition*. During the Hearing, Mr. Pickney submitted documentation showing that notice of the proposed rate reduction was published on January 9, 2003, in the *Daily Herald*, a newspaper of general circulation in the Oakwood area, pursuant to Authority Rule 1220-4-1-.05.³ No members of the public attended the Hearing. Mr. Pickney stated that the proposed rate change will affect thirteen customers and will not have any significant impact on the income of On-Site.⁴ Mr. Pickney also stated that On-Site intends to make the rate change effective upon issuance of an Authority order approving the rate change.⁵

Upon consideration of the *Petition*, and the entire record in this matter, the voting panel unanimously approved the *Petition* and the revised rate schedule filed therewith.

IT IS THEREFORE ORDERED THAT:

1. The *Petition* of On-Site Systems, Inc. to change the monthly residential sewer rates for its customers in the Oakwood Subdivision in Maury County, Tennessee, along with the revised rate schedule filed therewith, is approved.

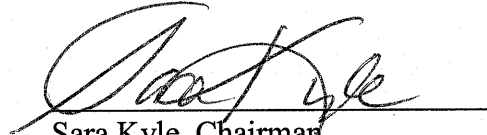
² Charles Pickney, Jr., Pre-Filed Direct Testimony, p. 1 (January 15, 2003).

³ Tenn. Comp. R. & Regs. § 1220-4-1-.05.

⁴ Transcript of Hearing, pp. 8-9 (January 28, 2003).

⁵ *Id.*, p. 12.

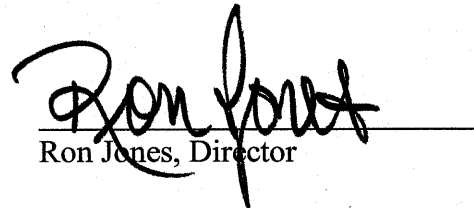
2. On-Site's request for approval of a reduction of \$1.56 in its monthly residential sewer charge for its customers in the Oakwood Subdivision in Maury County, Tennessee is granted.



Sara Kyle, Chairman



Deborah Taylor Tate, Director



Ron Jones, Director